

Agency Goals

SSA has established three broad fundamental goals that define the results we expect to accomplish as we fulfill our mission. The Agency goals are:

Rebuild Public Confidence in Social Security;

Provide World-Class Service; and

Create a Supportive Environment for SSA Employees.

Under each goal, we show actual performance in meeting Agency long-term objectives, intermediate objectives and GPRA performance goals. Charts 1 through 9 and 16 display progress against the long-term objectives. SSA has developed intermediate GPRA goals to ensure that we continue to make progress towards the objectives which present the greatest challenge to the Agency. Our performance against these objectives are shown in charts 10, 11, 14 and 15. Finally, charts 12 and 13 display our progress in achieving select FY 1996 GPRA workload goals.

Progress in Achieving Our Goals

GOAL: Rebuild public confidence in Social Security.

Public confidence and support are important to the successful administration and planning of SSA's programs. An independent survey done in 1996 asked the public if they were "very confident" or "somewhat confident" in Social Security. The chart below shows the results of that survey.

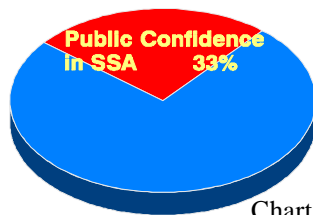


Chart 1

Observation

During FY 1996, SSA expanded its public education program to improve public confidence in Social Security with an information campaign aimed at high school students.

The adequacy of trust fund reserves, the provision of personal earnings and benefit estimate statements and the timely maintenance of reliable lifetime earnings records for the public are key measures of the success of SSA's initiative to rebuild public confidence in Social Security. (See pages 67 through 80 for a discussion on how effectively and efficiently SSA performs its day-to-day business functions and the Agency's progress in achieving a full range of its service delivery goals and objectives.)

Trust fund assets will be sufficient to pay 1 year's worth of benefits.

The trust funds are deemed adequately financed on a pay-as-you-go basis if the asset level at the end of a year is sufficient to cover at least 1 year's worth of benefit payments in the absence of other income such as payroll taxes.

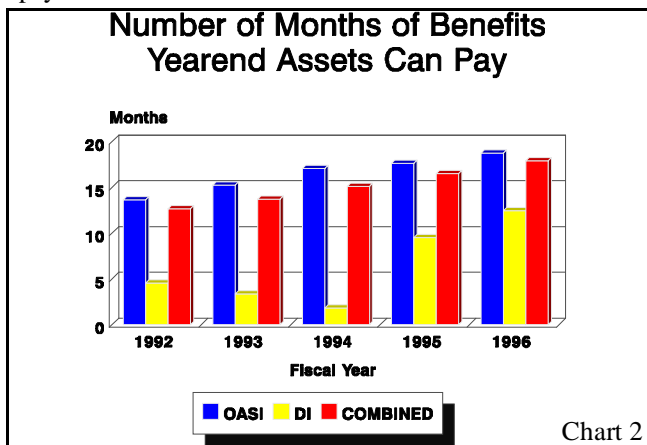
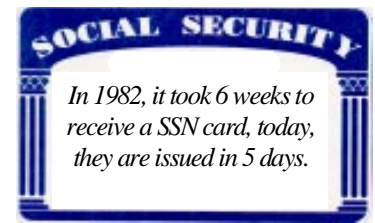


Chart 2

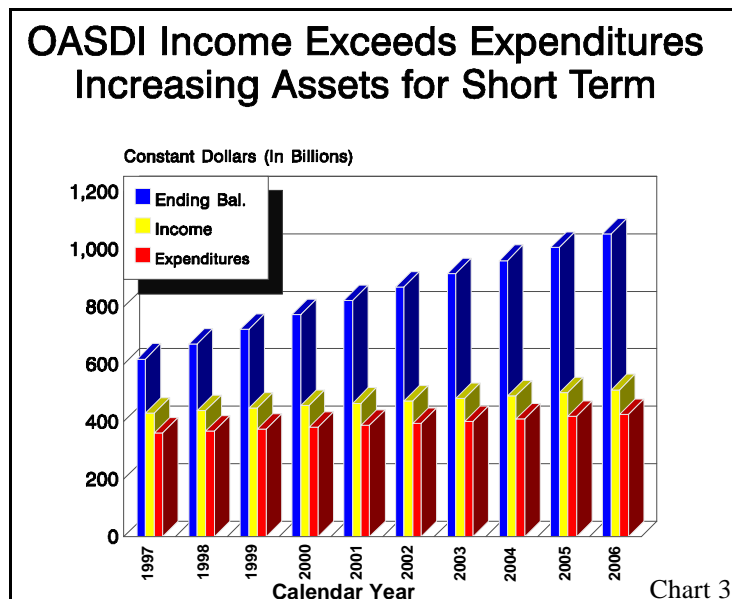
Observation

The number of months of benefits that combined yearend OASDI assets can pay has grown from 12.6 months at the end of FY 1992 to 17.9 months at the end of FY 1996, a 42 percent increase. For the last 4 years, the level of combined assets was deemed sufficient to finance the OASDI programs on a pay-as-you-go basis.



Trust fund assets will meet or exceed trust fund expenditures for each of the next ten years.

The trust funds are deemed adequately financed for the "short term" if actuarial estimates of assets meet or exceed outlay estimates in each year of the next decade. Estimates in the 1996 Trustees Report indicate that the OASI and DI Trust Funds are adequately financed over the short term (next 10 years), having sufficient assets to pay full benefits until 2031 and 2015, respectively.

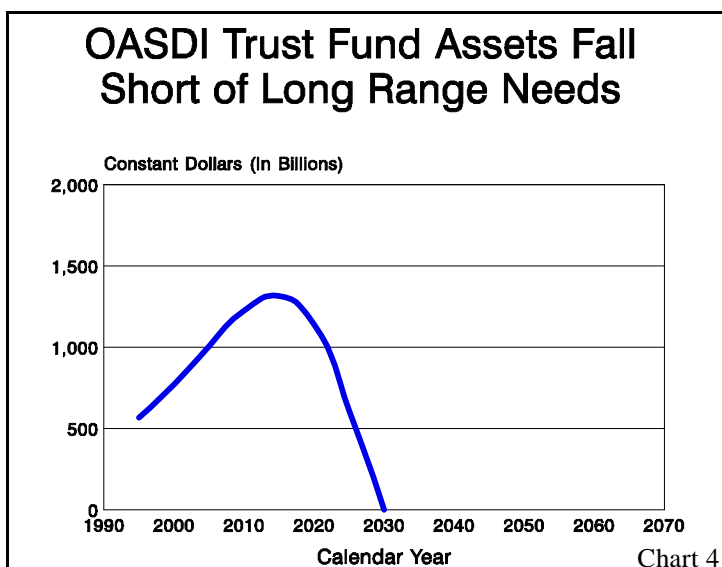


Observation

While combined OASDI expenditures are expected to grow 17.8 percent over the ten year period, combined income is projected to increase by 18.7 percent resulting in a 70.5 percent increase in trust fund assets.

Trust fund assets will be sufficient to meet a long-range test of close actuarial balance.

The trust funds are deemed adequately financed for the "long term" if actuarial estimates of revenues over the next 75 years can finance expenditures estimated for that period. Combined assets will continue growing over the next 25 years because the financing scheduled in current law results in temporary partial advance funding of benefits payable to the baby-boom generation, which begins retiring about 2010. The size of the actuarial balance for any period represents a measure of the program's financial adequacy for that period. For the long term (over the next 75 years), the OASI and DI programs **are not** in close actuarial balance. (See pages 51 through 57 for further information about the adequacy of trust fund reserves.)



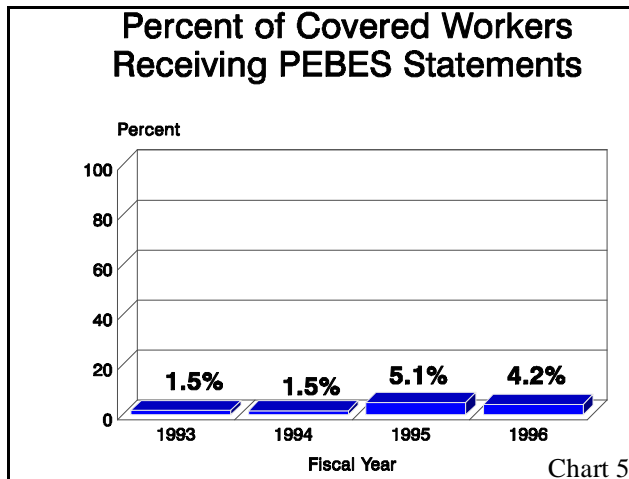
Observation

By 2030, under current law, OASDI assets will not be sufficient to pay 100 percent of benefits due and, thereafter, payments would be limited to available OASDI revenues. Over the 75-year projection period, the actuarial deficit equals 2.19 percent of taxable payroll. OASDI program financing could be restored by adjusting the tax rates scheduled in current law as indicated above, by reducing benefits or by some combination of these changes.



SSA will issue Personal Earnings and Benefits Estimate Statements (PEBES) to all covered workers, age 25 and over.

As a service to the public, SSA provides summaries of earnings histories and estimates of benefit amounts upon request. Starting in FY 1995, under legislative mandate, SSA began sending SSA-Initiated PEBES (SIPEBES) to more segments of the working population. Current law requires that, by 2000, these statements be sent annually, unsolicited, to workers age 25 and over. SSA expects the SIPEBES to generate additional workloads for the Agency, mostly in the form of public inquiries and requests for earnings corrections. SSA is preparing to spread the workload out more evenly by issuing first-time PEBES to some younger workers during the FY 1996-1999 period. Our goal is to release as many initial statements as possible before the annual issuance process begins in FY 2000.

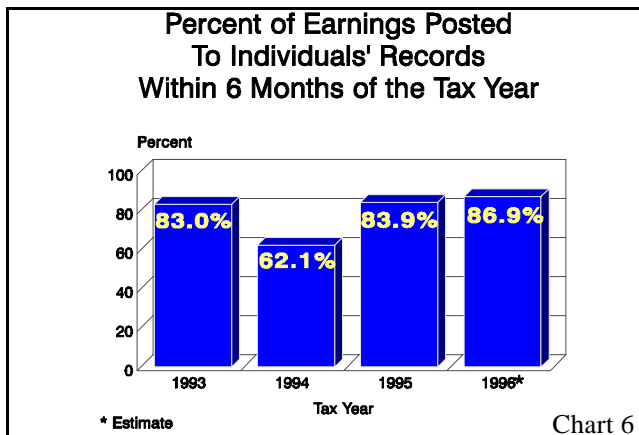


Observation

Less than 2 percent of covered workers request PEBES each year. During FY 1996, SSA issued 9,020,650 PEBES including 5,648,690 SIPEBES to workers age 60 and over to comply with legislation. Estimates of SIPEBES, required by law, to be issued in FY 1997 to workers age 60 and over and in FY 2000 to workers age 25 and over are 1.7 million and 123 million, respectively.

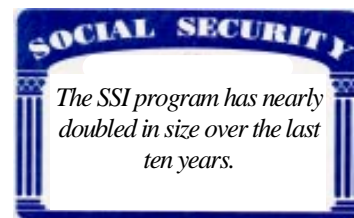
SSA will accurately post all annual wage reports (AWR) within six months following the close of the tax year.

During FY 1996, SSA continued its efforts to improve accuracy and processing times for both wages and self-employment income. Employers and payroll processors were approached through outreach initiatives including instructional videos and special publications to enhance wage report accuracy. The IRS/SSA wage reconciliation process continued to be performed on a current basis and additional wages were posted as a result. SSA is working with the Departments of Treasury and Labor to reduce the tax and wage reporting burden on employers while improving the effectiveness of each Agency's operations. The objective is to simplify laws and procedures, provide enhanced assistance and services to employers for easier filing and enable employers to electronically file a single return that can be used by SSA, IRS and State tax and unemployment insurance agencies.



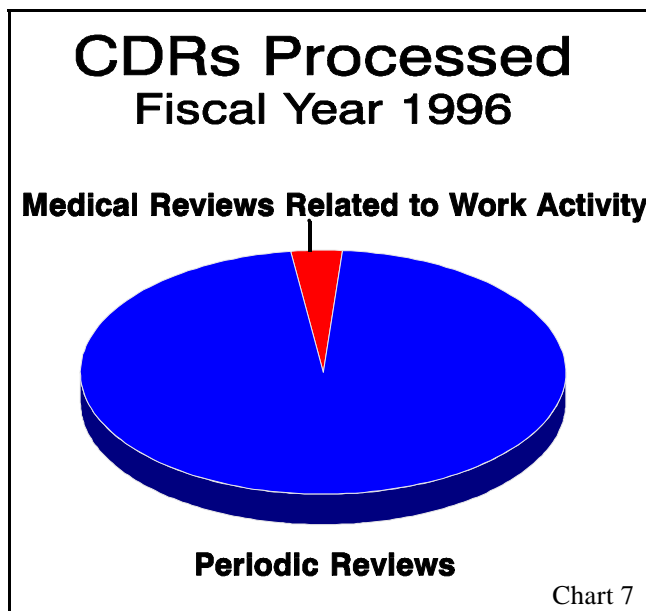
Observation

SSA achieved its best performance in FY 1996 but still fell short of its goal. Continued improvement remains a challenge because millions of employers continue to submit AWRs in paper form.



SSA will process all legislatively required Continuing Disability Reviews (CDR).

SSA has been unable to process all CDRs required by law. Currently, the backlog of approximately 1.8 million DI cases (including 400,000 cases which would not be cost effective to process) and 1.6 million SSI cases is still growing, although at a slower rate. To close this gap, Congress passed legislation which adjusts discretionary spending caps, thus permitting allocation of additional funds to SSA for CDR processing. As a result, during FY 1996, SSA more than doubled the number of CDRs conducted during the previous year and was the second largest volume of CDRs ever processed by SSA--exceeded only by FY 1983.



Observation

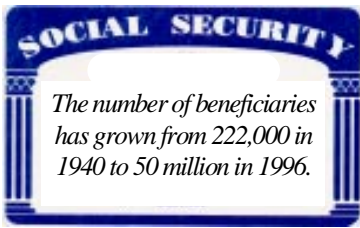
During FY 1996, SSA was able to perform 498,445 periodic reviews and 19,239 medical reviews related to work issues. SSA expects to perform 1.4 million periodic reviews by FY 2002.

GOAL: Provide world-class service.

SSA's service delivery vision is to provide world-class service to its customers, regardless of whether they choose to conduct their business with SSA face-to-face or on the telephone. We measure our success in a number of different ways including comment cards in our local offices, mail and telephone surveys and systems that measure waiting times and the time it takes to process our work. The results tell us our service is quick, responsive and courteous. To fulfill our service-delivery vision, we have obtained feedback from focus groups on proposed changes in service delivery and on new public information products.

SSA has developed the customer service pledge on the following page. The pledge is posted in all Social Security offices and presents SSA's commitment to providing world-class service. These standards provide a measure of the service we provide. This Accountability Report provides our actual performance against these standards.

For the short term, our objective is to handle most business, including claims and postentitlement actions in a single telephone call or visit. For the long term, SSA is reengineering its business processes in an effort to achieve the level of service which will make a substantial difference to our customers. For that reason, our initial reengineering effort is focusing on the disability process.



Customer Service Pledge

We will administer our programs effectively and efficiently to protect and maintain the Social Security trust funds and to ensure public confidence in the value of Social Security. We are committed to fair and equitable service to our customers. We promise to respect your privacy and safeguard the information in your Social Security record.

We are equally committed to providing you with world-class public service. When you conduct business with us, you can expect:

We will provide service through knowledgeable employees who will treat you with courtesy, dignity and respect every time you do business with us.

We will provide you with our best estimate of the time needed to complete your request and fully explain any delays.

We will clearly explain our decisions so you can understand why and how we made them and what to do if you disagree.

We will make sure our offices are safe, pleasant and our services are accessible.

When you make an appointment, we will serve you within 10 minutes of the scheduled time.

If you request a new or replacement Social Security card from one of our offices, we will mail it to you within five working days of receiving all the information we need. If you have an urgent need for the Social Security number, we will tell you the number within one working day.

When you call our 800 number, you will get through to it within five minutes of your first try.

We know that you expect world-class service in all of your dealings with us. In 1994, when we set these standards, we were unable to meet your expectations in some areas, but we have worked to change that. We are revising all our critical work processes to make them simpler, quicker and more customer-friendly. When we redesign our processes, you can expect:

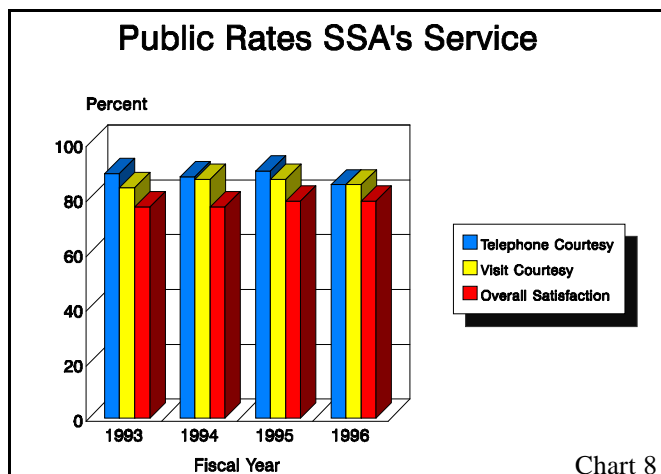
When you first apply for disability benefits, you will get a decision within 60 days.



SSA will provide prompt, courteous service to the public, both in person and on the telephone, at all times.

SSA believes it is important to know how well it is servicing its customers. Success is measured in a number of different ways including comment cards in local offices, mail and telephone surveys, and systems that measure waiting times and the time it takes us to process workloads. The results tell us SSA's service is quick, responsive and courteous.

SSA continues its commitment to providing not just good service, but "world-class" service. In September 1996, we published a booklet on how well SSA is doing in fulfilling its Customer Service Pledge. The booklet entitled "Social Security: Report to Our Customers" updates SSA's accomplishments in telephone access; office waiting times; courtesy, responsiveness and knowledge; and a number of other performance measures. The booklet also gives an overview of the Agency and describes what the future will hold with regard to customer service.

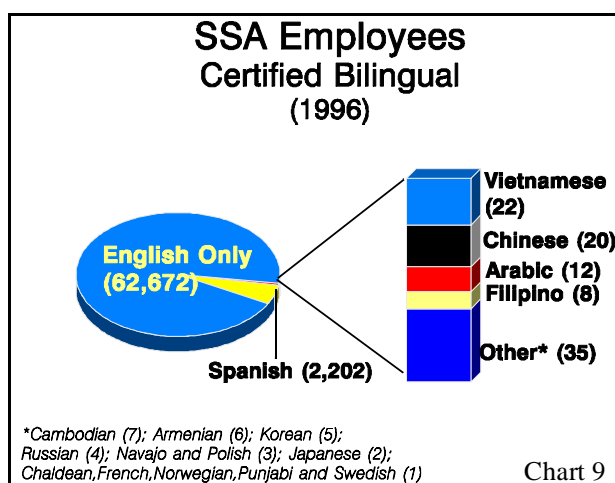


Observation

Customers who consider staff courteous are more likely to give high ratings for overall satisfaction. Consistent with prior years, customers give Social Security staff high marks for courtesy. In FY 1996, 85 percent of customers who called the 800 telephone number or who visited a field office were satisfied with staff courtesy, while 79 percent expressed overall satisfaction with SSA's service.

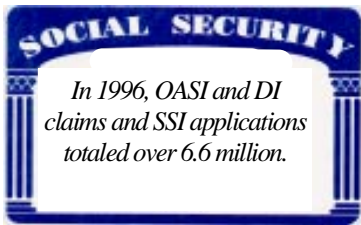
SSA will recruit bilingual public contact employees for field offices and the 800-number telephone service.

To meet the needs of non-English-speaking customers, SSA recruits bilingual individuals to act as a public contact for customers visiting SSA field offices and calling SSA's 800-number telephone service. SSA also provides notices and public information materials in Spanish and works with community groups to increase understanding of SSA-administered programs and provide translation services. In addition, SSA has developed a Spanish version of the PEBES statement and has broadened information and outreach efforts by producing a series of fact sheets in five Pacific-Asian languages. We are using census data to customize bilingual services by geographical location.



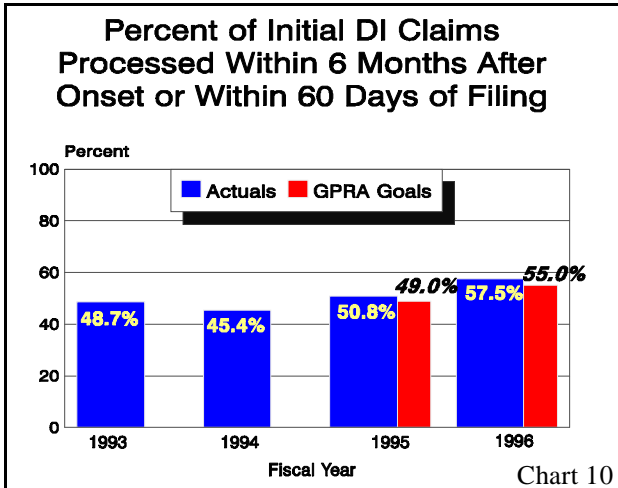
Observation

Eleven percent of new employees hired during FY 1996 were certified bilingual. Under the current initiative to recruit additional bilingual public contact employees for field and telephone service, SSA hopes to increase the percent of staff certified bilingual from its current 3.5 percent.



SSA will process all initial DI claims within 6 months after onset or 60 days of effective filing date, whichever is later.

The DI initial claims workload continues to be one of the largest workload categories in SSA. This workload demands a considerable amount of the Agency's resources as it streamlines its workforce and implements a new disability process. The overall DI initial claims processing time has steadily decreased since FY 1994 (86.9 days in FY 1994, decreasing to 83.8 days in FY 1995 and decreasing further in FY 1996 to 77.9 days). SSA similarly improved in the percentage of cases processed within the 6 months or 60 day time frame, by 6.7 percentage points over FY 1995 and 12.1 percentage points over FY 1994.

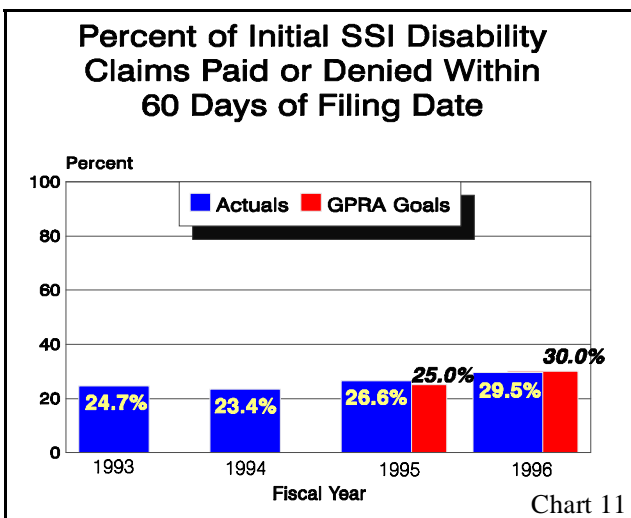


Observation

SSA improved performance for the third consecutive year and, in doing so, exceeded its FY 1996 GPRA goal.

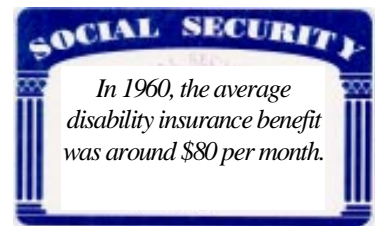
SSA will pay or deny all initial SSI disability claims within 60 days of filing date.

The current disability process, essentially designed in the 1950s, is fragmented, paper-bound, burdened by overly complex policies, has too many steps, makes little use of technology, and is clearly not customer-oriented. This process, in combination with unprecedented disability workload increases, has severely strained Agency resources. Large numbers of pending cases and long processing times have been the result. However, implementation of the short term disability project to reduce pending workloads allowed the Agency to continue to move towards its objective.



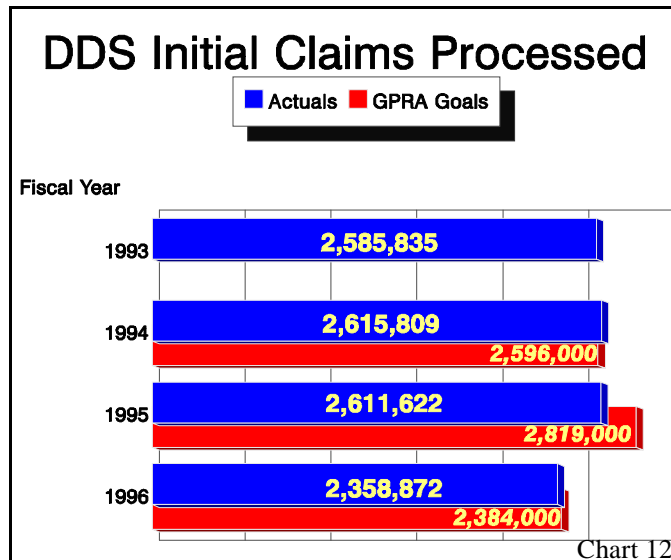
Observation

While SSA improved performance for the third consecutive year, it did not fully meet the GPRA goal. Budget uncertainty in the beginning of the fiscal year caused staff overtime to be limited and in some cases stopped altogether.



The Disability Determination Services (DDS) will process at least 2,384,000 initial disability claims in FY 1996.

Despite the outstanding efforts of SSA and State DDS employees throughout the country, SSA did not achieve its GPRA goal of processing 2,384,000 initial disability determination cases. During FY 1996, disability claims receipts decreased 2 percent with an average DI claim taking approximately 77.9 days to process and an average SSI disability claim taking approximately 94.5 days to process. SSA continues to streamline the disability determination process. Efforts concentrate on streamlining the decision methodology to enable the current workforce to process the growing number of disability claims.

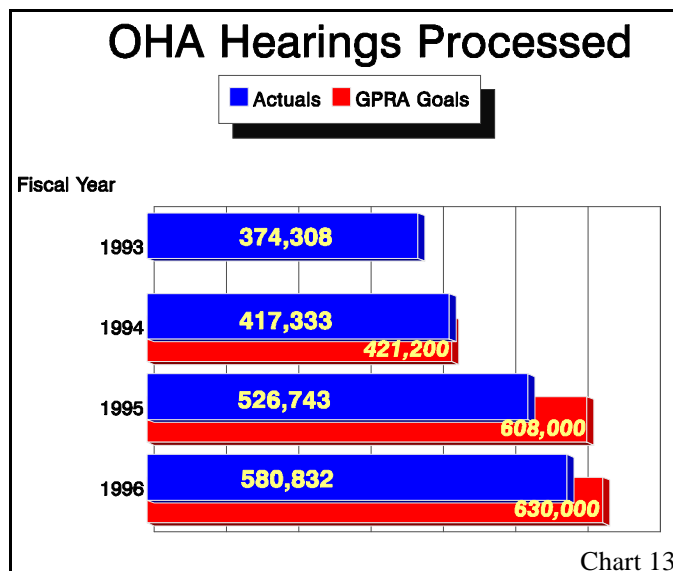


Observation

Funding lapses at the beginning of FY 1996 adversely impacted DDS output. DDS performance in FY 1997 should recover because among other reasons, SSA recently implemented the first set of disability redesign improvements before the claim is filed, at the initial level and at the appellate level.

The Office of Hearings and Appeals (OHA) will process at least 630,000 hearings in FY 1996, an increase of more than 100,000 hearings over the number processed in FY 1995.

Production per workyear declined for the third consecutive year. However, ALJs were able to act upon 53.2 percent of hearings cases received and pending from last year. In FY 1995, this figure was 49.3 percent. Thus the number of cases pending at yearend decreased by 6.7 percent from last year.



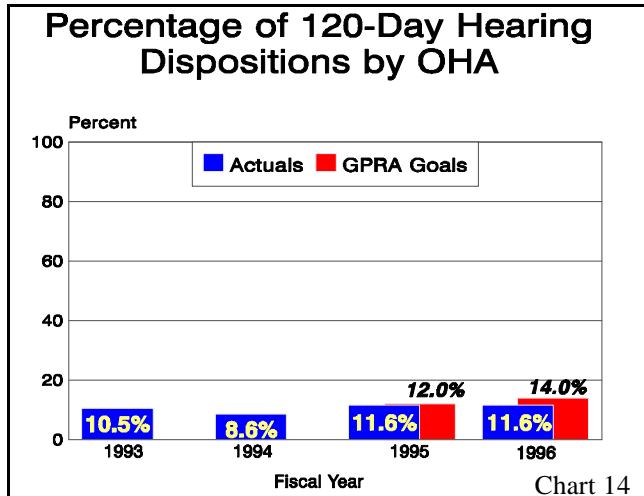
Observation

ALJs processed a record number of hearings cases in FY 1996 when compared to prior years but failed to meet the GPRA goal of 630,000 cases. The government shutdowns in the first quarter caused a deterioration in ALJ productivity. (see pages 66 and 73-75).



SSA will issue hearing level decisions and send notices to claimants within 120 days after filing date.

OHA level dispositions issued in 120 days or less generally tend to be favorable decisions that can be issued on-the-record without a hearing or additional development of the record. Under initiatives tied to the Short Term Disability Project, OHA has been able to identify and dispose of fully favorable cases earlier in the hearings process and, in turn, increase the number of dispositions issued in 120 days or less.

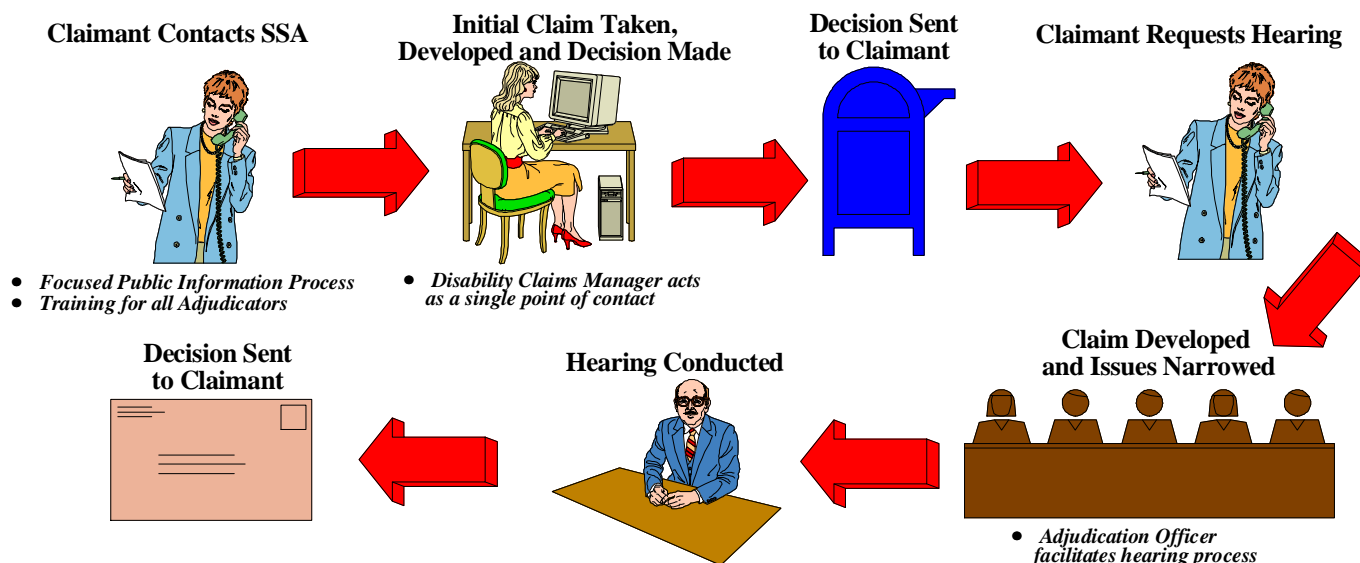


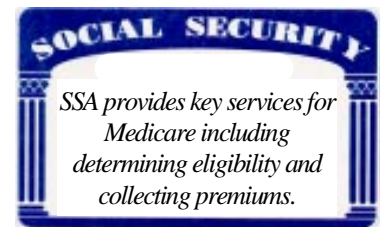
Observation

During FY 1996, hearings processed increased by over 10 percent reducing end of year pendings by nearly 37,000 cases. However, the disposition percentage remained static at 11.6 percent due to the age of the pending cases processed.

REDESIGN 2-LEVEL PROCESS Improvements Before The Claim is Filed at the Initial Level and at the Appellate Level

SSA is implementing a series of disability process redesign improvements to address service delivery in the disability claims area. Improvements are being made to the process before the claim is filed, at the initial level and at the appellate level. Ultimately the goal is to transform the disability program into a program that is more efficient and customer-friendly. The new process will enable us to handle an increased number of claims without increasing the size of our workforce and result in faster, more efficient, more accurate processing and decisionmaking. The end result will be a program that works better and costs less. The graphic below depicts steps in the redesigned disability claims process.





GOAL: Create a supportive environment for SSA employees.

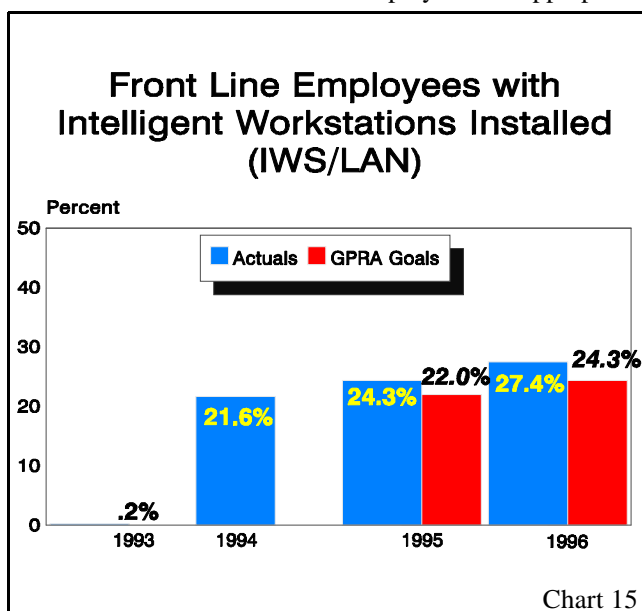
The employees of SSA are its most important asset. SSA has been able to hire and retain skilled individuals despite competition from outside the Agency because of our reputation as an employer who values our employees. In its continuing effort to meet the needs of its employees, SSA has implemented flexible personnel practices and expanded employee services.

SSA established two performance measures relating to creating a supportive environment for SSA employees for its FY 1996 GPRA Performance Plan. They were "Percent of staff hired toward achieving equal employment opportunity goals" (goal: 50%) and "Percent of underrepresented equal opportunity groups that came closer to parity with the civilian labor force" (goal: 6 of 6). SSA failed to meet both goals. However, minority groups represented 34.8 percent of new hires in FY 1996. Although SSA fell short of its goal of 50 percent, it succeeded in surpassing minority representation in the National Civilian Labor Force (NCLF) which was 21.8 percent for FY 1996.

In FY 1996, Black, Hispanic, Asian American, American Indian and the disabled were underrepresented in SSA's employee population. A comparison of the underrepresented groups during FY 1996 revealed that the representation of Black, Hispanic and Asian American men increased by 0.1 percent each in moving closer to parity with the NCLF. Further comparison showed that SSA staff representation of Black men was 87.8 percent of the NCLF, Hispanic men was 43.8 percent and Asian American men was 40.0 percent.

SSA will provide all employees with state of the art technology enabling them to work effectively and efficiently.

While the SSA workforce is SSA's most valuable asset, technology runs parallel in importance because it is essential to the effectiveness of that workforce, and indispensable to the success of the SSA business approach. The single most important initiative on SSA's technology agenda is acquisition of the IWS/LAN infrastructure. IWS/LAN is the basic foundation for critical initiatives and redesign activities throughout Agency business processes and service delivery interfaces. Among the critical capabilities that IWS/LAN supports are the "paperless" processing of claims and postentitlement information and the automated transmission of this information to wherever the appropriate employee happens to be located. Having the capability to move the work, without manual handoffs, to where the employees are is essential both to reducing overall processing times and to meeting other customer needs in a streamlined SSA. IWS/LAN will also permit SSA to use other complex tools such as expert systems, and will improve the availability and timeliness of information to employees and appropriate users.



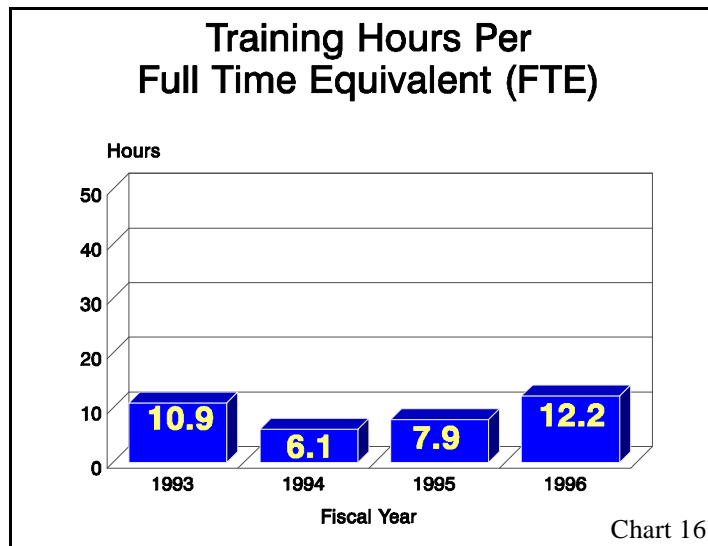
Observation

Because SSA's National IWS/LAN contract was not awarded until June 1996, no large quantities of IWS/LAN equipment from the National contract were installed during FY 1996. As a result, we were unable to substantially improve upon our FY 1995 performance. However, SSA was successful in acquiring workstations from other contracts to support special project requirements which increased the percent of frontline employees with IWS/LANs by 3.1 percentage points from FY 1995 to FY 1996.



SSA will provide adequate training to employees enabling them to perform their jobs knowledgeably and with confidence.

Ongoing investments in employee training and career development are crucial to continued workforce effectiveness at SSA. Streamlining plans resulted in a number of employees redeploying to direct service positions from management and staff support jobs. The creation of the Direct Service Unit in FY 1996 provides employees with the opportunity to acquire new skills, work directly with the public and evaluate up-to-date technology. Significant training will also flow from process reengineering and continuous improvement/automation efforts. A multi-year, phased training approach is an integral part of the Disability Process Redesign Team (DPRT) Project, and similar large training efforts are also planned in support of technology-based initiatives such as IWS/LAN. The IWS/LAN technology will help employees make decisions and respond immediately to client issues and questions, thereby giving them greater mastery over the job at hand.



Observation

During FY 1996, SSA's training hours per FTE increased by 54 percent from the FY 1995 performance. The increase was due in part to redeployment of employees to direct service positions requiring new skills training and training under DPRT Adjudication Officer pilot initiative.

Major Workload Issues Facing Social Security

Presently, SSA is faced with legislative mandates that require SSA to reduce the size of its overall workforce as we increasingly seek to provide service comparable to the best in the private sector. Our ability to improve the way we deliver services to our customers and at the same time accommodate the resource challenge will be tested as we strive to address the following anticipated workload growths:

- Recent legislation requires SSA to substantially increase the number of CDRs annually performed. Page 13 provides additional information on this issue;
- Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 will require children receiving SSI benefits to receive more frequent CDRs, thus increasing future workloads substantially. Page 6 provides more information on these provisions;
- Recent legislation has mandated the prohibition of DI or SSI benefits for individuals whose drug addiction and/or alcoholism (DA&A) contributes materially to their disability. Benefits to current DA&A beneficiaries will terminate on January 1, 1997; and
- SSA will provide SSA Initiated Personal Earnings and Benefit Estimate Statements (SIPEBES) to increasingly larger segments of the population. The increased issuance of SIPEBES is expected to generate follow-up work in the form of public inquiries and requests for earnings corrections.

SSA has developed an effective and comprehensive approach to meet these challenges. Productivity of the workforce is being enhanced by streamlining, reducing management and staff support positions and restructuring the organization. Business processes will be reengineered to improve customer service and to function more efficiently and ongoing efforts to make effective uses of automation and continuously improve SSA's operations will continue. When taken as a whole, this approach will allow SSA to keep up with workload growth, overcome resource constraints, and improve service to our customers.

One initiative designed to meet these challenges has redeployed SSA headquarters employees from various support functions to Direct Service Units (DSU). DSU employees provide support to the national 800 number. Although this initiative just began in FY 1996, SSA has experienced dramatic increases in the percent of callers served by our National 800 Number within 5 minutes of their first call. This service rate has increased from 73.5 percent in FY 1995 to 89.9 percent for the period of January through September 1996.

Limitations to the Financial Statements

The financial statements beginning on Page 24 have been prepared to report the financial position and results of operations of SSA, pursuant to the requirements of the Chief Financial Officers Act of 1990.

While the statements have been prepared from the books and records of SSA in accordance with the formats prescribed by the Office of Management and Budget, the statements are different from the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of a sovereign entity, that liabilities not covered by budgetary resources cannot be liquidated without the enactment of an appropriation, and that the payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

